

CIRCULAR LETTER

to

ALL COMMERCIAL BANKS IN INDONESIA AND
PT. PERMODALAN NASIONAL MADANI (PERSERO)

Subject: Amendment to Circular Letter of Bank Indonesia No. 5/30/BKr dated November 18, 2003, concerning Handover of Management of Bank Indonesia Liquidity Credit Within the Framework of Program Credit

In regard to the addendum to the Agreement for Handover of Management of Bank Indonesia Liquidity Credit (KLBI), made by and between Bank Indonesia and Coordinating State Owned Enterprises to which management was handed over on January 29, 2004, it is necessary to amend Circular Letter No. 5/30/BKr dated November 18, 2003, concerning Handover of Management of Bank Indonesia Liquidity Credit Within the Framework of Program Credit as follows:

The provisions in item VI.3 are hereby amended so that they read in their entirety as follows:

“3. Early Repayment

- a. 1) If a debtor and/or executing bank repays Fixed Installment KLBI in advance of the maturity date, or the project financed by Fixed Installment KLBI is handed over to the Indonesian Bank Restructuring Agency (IBRA) or other State Assets Management Agency, the executing bank must notify Bank Indonesia of the repayment or handover with a copy to the Office of State Owned

Enterprises ...

Enterprises no later than 14 (fourteen) calendar days commencing from the date of repayment or handover.

This notification shall contain information on at least the date of repayment or handover, name of scheme, name of project, Work Order number, and amount of KLBI that is repaid or handed over.

- 2) If a debtor and/or executing bank repays Fixed Installment KLBI in advance of maturity date prior to the effective date of Bank Indonesia Regulation No. 5/20/PBI/2003 dated September 17, 2003, concerning Handover of Management of Bank Indonesia Liquidity Credit Within the Framework of Program Credit, the executing bank must notify Bank Indonesia.
 - 3) Pursuant to the notification referred to in number 1) and number 2), Bank Indonesia shall debit the demand deposit account of the executing bank in the amount of the outstanding balance of KLBI repaid in advance of maturity date or handed over to IBRA or Other State Assets Management Agency.
 - 4) The amount of KLBI installments received by the Office of State Owned Enterprises shall be debited by Bank Indonesia at the maturity date of the KLBI.
- b. 1) If a project financed by Fixed Installment KLBI is cancelled by Bank Indonesia by reason of violation of regulatory provisions or other matters that may result in cancellation of the Work Order, Bank Indonesia shall debit the demand deposit account of the executing bank in the amount of the outstanding balance of the cancelled KLBI.
- 2) The amount of KLBI installments received by the Office of State Owned Enterprises shall be debited by Bank Indonesia at the maturity date of the KLBI.
- c. In respect of the funds from early repayment of KLBI installments managed by a State Owned Enterprise for credit schemes as referred to

in letters ...

in letters a and b, Bank Indonesia shall issue a letter of confirmation to the State Owned Enterprise for management of the KLBI installments received by the State Owned Enterprise prior to the early repayment referred to in letters a and b through to the maturity date of the KLBI as stated in the respective Work Order. In the first instance, the Letter of Confirmation shall state all KLBI installments repaid in advance of the maturity date of the KLBI prior to the effective date of this Circular Letter.

The Letter of Confirmation shall contain at least the following:

- 1) Number of Work Order;
 - 2) Executing bank;
 - 3) Credit scheme;
 - 4) Name of debtor;
 - 5) Amount of KLBI installments received by the State Owned Enterprise; and
 - 6) Maturity date of the KLBI as stated in the respective Work Order.
- d. 1) In the event that the debtor and/or executing bank repays KLBI Line of Credit in advance of maturity or the project financed by the KLBI Line of Credit is handed over to IBRA or other State Assets Management Agency, the executing bank must notify Bank Indonesia of the repayment or handover with a copy to the Office of State Owned Enterprises no later than 14 (fourteen) calendar days commencing from the date of repayment or handover.
- 2) Pursuant to this notification, Bank Indonesia shall debit the demand deposit account of the executing bank in the amount of the outstanding balance of KLBI.”

The provisions in this Circular Letter shall come into force on July 9, 2004.

For ...

For the public to be informed, it is ordered that this Circular Letter be promulgated in the State Gazette of the Republic of Indonesia.

Kindly be informed.

BANK INDONESIA,

(signed)

RATNA E. AMIATY
CREDIT BUREAU CHIEF